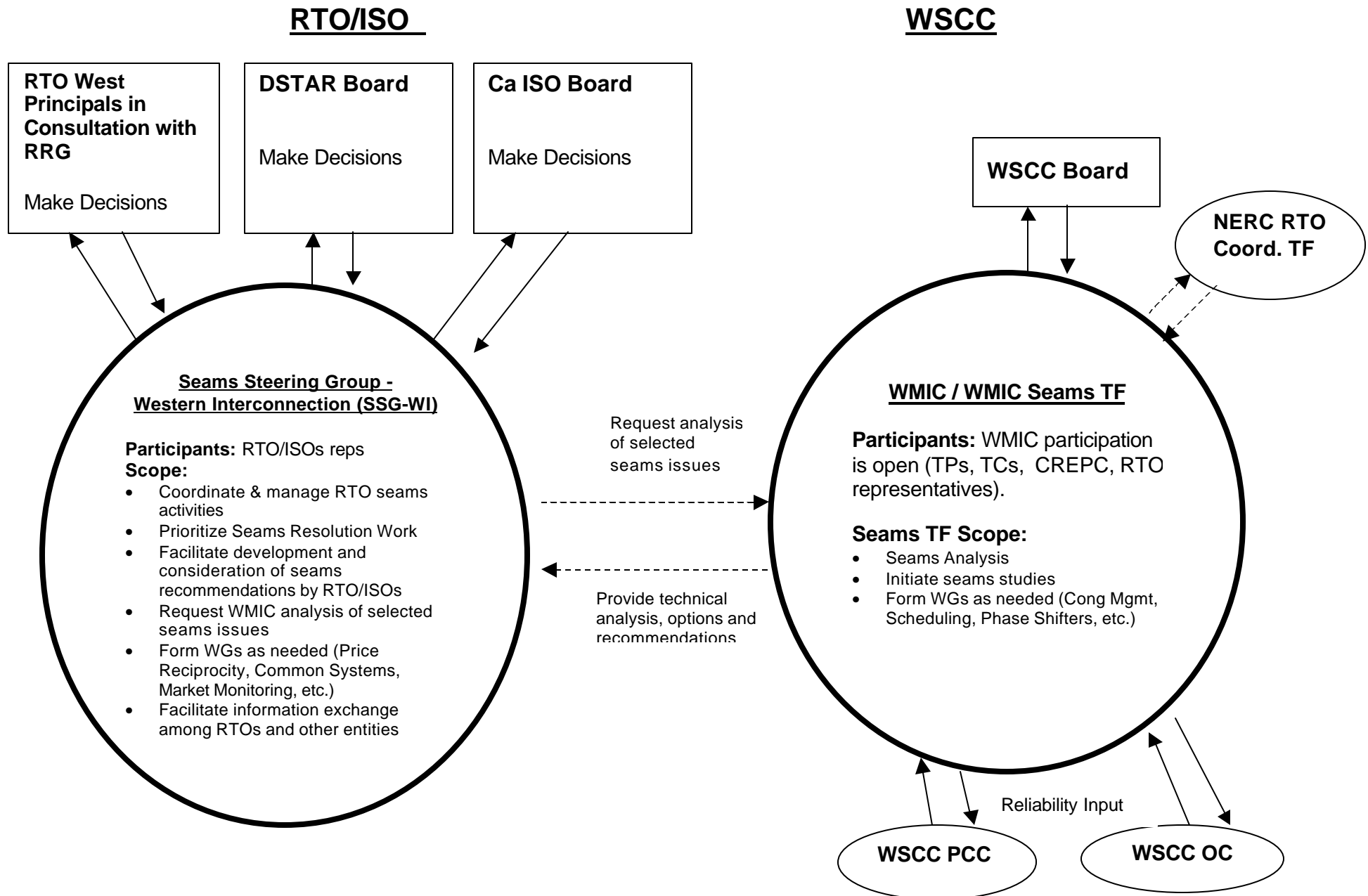


CURRENT SEAMS COORDINATION PROCESS



Coordination and Resolution of Seams Issues within the Western Interconnection

The goal of the 3 RTOs in the Western Interconnection is to develop one seamless west-wide market for transmission services with common business practices and no trade barriers. To accomplish this goal a collaborative effort has been established. This effort involves the RTOs as decision makers, the Seams Steering Group – Western Interconnection (SSG-WI) as a policy level proposer and advocate of seams solutions and the Western Market Interface Committee as a developer and analyzer of alternative seams solutions and a west-wide forum for stakeholder input on seams issues.

This process is outlined on the “Current Seams Coordination Process” chart. The roles and functions of the SSG-WI and the WMIC and their complementary relationship are summarized below.

SSG-WI

The SSG-WI is composed of policy level representatives from the California ISO, DSTAR and RTO West. Its agenda and activities are at the direction of the RTOs through their designated representatives. The SSG-WI coordinates and manages development and implementation of the Western Market Vision for RTO development in the West. The SSG-WI serves as the forum for developing and advocating recommended solutions to RTO seams issues for consideration and approval by each RTO. The SSG-WI defines seams issues and sets schedules and priorities for SSG-WI and WMIC seams analysis work to meet the regulatory filing needs of the 3 RTOs. The SSG-WI does not make decisions for the 3 RTOs; rather it manages their seams activities in coordination with the WMIC. The SSG-WI provides a forum for coordination of policy issues of common interest to the three RTOs and coordinates other common activities where a coordinated effort would be beneficial.

Participants in SSG-WI consists of representatives of the three RTOs. SSG-WI meeting notes are posted on the RTO/ISO Web Sites. RTO representatives on the SSG-WI represent the interest of their RTO constituents. Work Groups formed by the SSG-WI are open to interested individuals unless information of a confidential nature is discussed. SSG-WI also relies on the open process of the WMIC and the WMIC Seams Task Force for stakeholder input.

Two work groups currently report to the SSG-WI, namely the Price Reciprocity WG to analyze the export fee issue and the Common Systems Interface Committee to analyze system implementation issues. A Work Group on Market Monitoring is currently being formed.

Working with the WMIC, the SSG-WI coordinates, develops and advocates proposed solutions to seams issues, which it forwards to the RTOs for approval and implementation.

WMIC

WMIC was organized in 1999 as an open forum to address commercial and business practice issues impacting the reliability of the western interconnected transmission system. It is sponsored by WSCC and the three Regional Transmission Associations. In March 2000, CREPC recommended that WMIC organize an open forum to address RTO seams issues. Several WGs have since been formed by the TF to analyze specific seams issues. These include the Scheduling Timelines WG, the Congestion Management/FTR WG, the Market Rules Alignment WG, the Planned Outage WG and the Phase Shifter WG. The WGs define and analyze alternatives and develop recommendations on proposed resolution of seams issues.

WMIC meetings are open to all interested individuals. The WMIC governance structure consists of three voting classes, namely a Transmission Provider Class, a Transmission Customer Class and a State/Provincial Class. The WMIC RTO Seams TF's RTO participants are designated by each RTO. The TF also includes designated representatives from the regulatory and marketer community. Work groups organized by the TF are open to all interested individuals and the attempt is made to include broad representation from the RTOs and from customer classes. Work products of the TF are developed by consensus within the TF and taken to WMIC for broader review. With concurrence of the WMIC, TF reports are forwarded to the SSG-WI for review, comment and action by the RTOs.